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Arizona Corporation Commiss DOCKETED

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DOCKETED BY

Sheila Stoeller

ron smith [revolveron44@yahoo.com] From:

Sent:

To:

Wednesday, May 09, 2007 3:35 PM

Maves-WebEmail

Subject: PSWID-Brooks agreement

AZ CORP COMMISSION DOCUMENT CONTROL

Dear Commissioner Mayes -

Virginia and I enjoyed talking with you at the recent town hall meeting in Pine.

We are constantly amazed at how many people who do not reside in Strawberry seem to have a say-so about affairs that affect our quality of life and our community, and it is cause for deep concern.

We would like to express our strong opposition to the proposed agreement between the PSWID and Brooks Utilities.

Previously, current wisdom said that there was no deep water beneath Pine. Since the successful completion of the Strawberry Hollow well and the Randall/Pugel well in Pine, we now know that not to be the case.

The Pine Water Company and Brooks Utilities have the sole responsibility to provide water to Pine. Mr. Hardcastle stated at the meeting the Brooks Utilities was willing to spend between 1 and 1.3 million dollars to drill and complete the K2 well. The pundits of this project admit that this well is exploratory in nature. (Based on risk assessment, selection of the K2 site makes no sense.) We feel a development well at a proven site in Pine is more appropriate with less attendant risk and lower drilling costs. (The Randall/Pugel well was completed at 1040 feet and the projected completion depth of the K2 well is 1750 feet.)

Based on the difference in drilling costs, the selection of the K2 site makes no sense. I have no figures to back up my opinion, but I bet that there would be sufficient savings in drilling costs that Brooks would not need the \$300,000 in Public funds.

Mr. Hardcastle claims to be donating the drill site. Since this site is already owned by Brooks Utilities and the ownership of the well and the produced water will remain with Brooks, we fail to see that he is donating anything. It appears that Mr. Hardcastle is desperately trying to protect Brooks' investment in the Project Magnolia Pipeline. If Brooks is compelled to drill in Pine, as they should be, the pipeline becomes moot and that represents a loss to Brooks. Based on this assumption, selection of the K2 site does make sense, but only to Brooks.

Needless to say we take a really dim view of the blatant notion that the production from this well will be primarily dedicated to Pine. And, to add insult to injury a recent article in the May 8th Payson Roundup page 8A, cites Mike Gleason as saying about 650 new water connections could result. We are absolutely stunned at this revelation. In our opinion, the needs of the existing population of Pine are paramount and should be fully met before any further development is even contemplated. After all, over utilization of the available resource through random development is what got Pine into trouble in the first place. If we allow 650 new hookups at the outset aren't we just perpetuating the problem? Is that a responsible action? We suggest that responsible development in concert with a managed resource is the only viable long term solution.

Further we would call your attention to page 3 of "The K2 Wellsite Evaluation - Ground Water Resources Potential", prepared by Highland Water Resources Consulting Inc., dated 30 May 2006. (We faxed you a complete copy of this document a couple of months ago)

Risk factors and environment concerns relating to potential interference with the aquifer that supplies Fossil Springs, are described. Litigation from various environmental groups could delay the project for a significant period of time, not to mention the legal costs, or cause it to be abandoned completely unless it can be demonstrated that no damage to Fossil Springs would occur. Why take on this unnecessary risk?

In short, since Pine appears to be situated over a deep aquifer, there is no need or justification to parasitize Strawberry's water supply. We would like to see Brooks utilities drill a well in Pine and supply that community forthwith and dispense with all the nonsense.

We respectfully suggest that this agreement be rejected. To us it makes no practical or fiscal sense.

Ok, we are off our soapbox now - we felt compelled to share our thoughts with you. Thanks for listening.

Best Regards,

Ron and Virginia Smith

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